

Robert J Vanden Bos OSB #78100
Douglas R. Ricks, OSB #044026
Christopher N. Coyle, OSB #07350
VANDEN BOS & CHAPMAN, LLP
319 S.W. Washington, Suite 520
Portland, Oregon 97204
TELEPHONE: (503) 241-4869
FAX: (503) 241-3731

Of Attorneys for Debtor-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re) Case No. 16-30406-rld11
)
SeaPort Airlines, Inc.,) MOTION FOR AUTHORITY TO PAY
) PREPETITION PAYROLL, PAYROLL TAXES,
) EMPLOYEE HEALTH INSURANCE PREMIUMS,
) AND WORKERS' COMPENSATION INSURANCE
) PREMIUMS AND OTHER EMPLOYEE EXPENSES
Debtor-in-Possession.) **Expedited Hearing Requested**

The Debtor-in-Possession, SeaPort Airlines, Inc. ("Debtor"), requests entry of an order authorizing the Debtor to pay prepetition payroll, payroll taxes, employee health insurance premiums and workers' compensation insurance premiums and other employees expenses associated with Debtor's current payroll (for the period February 1, 2016 through February 15, 2016). In addition, Debtor requests authority to pay ordinary course unreimbursed employee expenses incurred in connecting with performing services for the Debtor in the approximate total amount of \$7,284.00 even though such expenses technically may not qualify as priority expenses under the Bankruptcy Code, and in support, represents and states:

1. On February 5, 2016, the Debtor commenced a reorganization case by the filing of a voluntary petition under Chapter 11 of the United States Bankruptcy Code (the "Code").

2. Pursuant to Sections 1107 and 1108 of the Code, the Debtor is continuing in possession of its property and is operating and managing Debtor's business as a debtor-in-possession.

3. Debtor seeks authority to pay any prepetition wages and to continue Debtor's employee benefit plans, including health insurance, vacation pay and sick pay. Debtor also seeks authority to honor prepetition checks for payroll taxes, employee health insurance premiums and workers' compensation insurance premiums which may not have cleared the bank by the Petition date.

4. In the case of wages, commissions, federal and state withholding taxes, and payroll taxes, Debtor requests authority to pay these amounts on the next regularly scheduled payroll, which is February 19, 2016. The amount of wages and commissions per employee which Debtor seeks authority to pay is detailed on attached **Exhibit A**. The amounts that Debtor requests authority to pay is limited to the priority amount of 11 USC § 507(a), and is limited to the current pay period February 1, 2016 through February 15, 2016, to be paid on the February 19, 2016 payday. With respect to other compensation, vacation and paid leave and all other employee benefits, including expense reimbursements, Debtor requests authority to pay these amounts in the ordinary course of business. The amounts that Debtor requests authority to pay does not exceed the priority amount of 11 USC § 507(a) and is limited to the period February 1, 2016 through February 15, 2012.

5. Pursuant to Code Sections 507(a)(3), 507(a)(4), 507(a)(6), and 105, and the judicially recognized "necessity of payment doctrine," Debtor requests authority to pay prepetition wages and associated employee benefits and payroll taxes.

6. As show on **Exhibit A**, prepetition priority wages total \$55,157.26, prepetition priority vacation totals \$70,356.85; prepetition priority sick leave totals \$6,338.62; and prepetition employee expense reimbursements owing totals \$7,283.70. Debtor seeks authority to pay and will pay the associated payroll taxes on the foregoing prepetition payroll on the next payday (February 19, 2016).

ARGUMENT

As the Court stated in In re Ionosphere Clubs, Inc., 98 B.R. 174 (Bankr. S.D.N.Y. 1989), "the paramount policy and goal of Chapter 11, to which all other bankruptcy policies are subordinated, is the rehabilitation of the Debtor. This policy was clearly articulated by the United States Supreme Court in NLRB v. Bildisco and Bildisco, 465 U.S. 513, 104 S.Ct. 1188, 79 L.Ed. 2d 482 (1984) when the Court stated, " 'the fundamental purpose of reorganization is to prevent the debtor from going into liquidation, with an attendant loss of jobs and possible misuse of economic resources.'" In re Ionosphere at 176-177 (citations omitted). The Ionosphere Court went on to note that "Section 105 may indeed empower the Bankruptcy Courts to authorize the immediate payment of prepetition claims when essential to the survival of a debtor." Id. at 177; see also In re Baldwin United Corp., 765 F.2d 343, 348 (2d Cir. 1985).

Like the Court in Ionosphere, the Bankruptcy Court in In re Chateaugay Corp., 80 B.R. 279 (S.D.N.Y. 1987), authorized the Debtor to pay certain prepetition wages, salaries, reimbursement expenses and employment benefits, as well as certain workers

compensation obligations, which claims totaled in excess of \$250 million. A group of similarly situated creditors (who the debtor did not seek authorization to pay) attacked the Court's order on grounds that such selective payments violated Section 107 of the Code. On appeal, the District Court rejected this argument and explained:

"A rigid application of the priorities of §507 would be inconsistent with the fundamental purpose of reorganization and of the Act's grant of equity powers to bankruptcy courts, which is to create a flexible mechanism that will permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately."

The District Court thus upheld the Bankruptcy Court's order, which had concluded that if sound business judgment exists to pay certain prepetition claims, and the payments serve to preserve and maximize the value of the debtor's estate, the Court should authorize the payments. Id. at 282.

In In re Gulf Air, Inc., 112 B.R. 154 (Bankr. W.D. La. 1989), the Court applied the "necessity of payment" doctrine and authorized the debtor to pay certain prepetition employee claims. In Gulf Air, the debtor (a charter air carrier) sought authority to pay all prepetition amounts owed to salaried and hourly employees, and flight crew members, including their prepetition expenses. Furthermore, the debtor sought authority to pay prepetition health and life insurance premiums for employees and their dependents, in addition to workers' compensation.

The debtor in that case asserted that the success of the reorganization was dependent upon continued employment of its skilled employees. Without immediate payment to the employees, the employees would cease working, thereby leaving the debtor incapable of operating. The Court determined that the immediate payment of the employee claims was in the best interest of the debtor and its estate, and authorized the

debtor to pay the prepetition employee claims. Like Gulf Air, Debtor provides passenger air transportation. It is essential for Debtor to retain the skilled workforce necessary to operate an airline. Without the continued loyalty of Debtor's employees, Debtor will lose Debtor's goodwill in the marketplace and will not be able to successfully reorganize.

WHEREFORE, Debtor respectfully requests that this Court enter an order allowing Debtor to pay the payroll and other payroll related items referred to herein and to continue Debtor's employee benefits.

DATED: February 5, 2016.

Respectfully submitted;

VANDEN BOS & CHAPMAN, LLP

By: /s/Robert J Vanden Bos
Robert J Vanden Bos, OSB #78100
Douglas R. Ricks, OSB #044026
Christopher N. Coyle, OSB #07350
Of Attorneys for Debtor-in-Possession

EXHIBIT A

SeaPort Airlines, Inc.
PAYROLL SUMMARY

Employee #	Employee Initials	Wages Owed as of: 2/5/2016	Total Accrued Vacation as of: 2/5/2016	Breakout Total Vacation		Total Accrued Sick as of: 2/5/2016	Breakout Total Sick Time		Expense Reimb.	Health Insurance	Uncleared Employee Checks	Total Claim Amount	Total Priority Amount	Unsecured Total
				Vac Accrued Before: 8/9/15	Vac Accrued After: 8/9/15		Sick Accrued Before: 8/9/15	Sick Accrued On or After: 8/9/15						
1	RM	\$ 2,013.88	\$ 10,874.59	\$ 5,855.55	\$ 5,019.04	\$ -	\$ -	\$ -	\$ 110.00	\$ 50.00		\$ 13,048.47	\$ 7,192.92	\$ 5,855.55
2	NM	\$ 1,319.44	\$ 8,038.16	\$ 4,384.45	\$ 3,653.71	\$ -	\$ -	\$ -		\$ 50.00		\$ 9,407.60	\$ 5,023.15	\$ 4,384.45
3	TS	\$ 1,444.44	\$ 7,899.71	\$ 4,899.82	\$ 2,999.89	\$ -	\$ -	\$ -	\$ 168.48	\$ 50.00		\$ 9,562.63	\$ 4,662.81	\$ 4,899.82
4	DP	\$ 1,072.91	\$ 4,308.01	\$ 2,525.37	\$ 1,782.62	\$ -	\$ -	\$ -	\$ 826.67	\$ 50.00		\$ 6,257.57	\$ 3,732.20	\$ 2,525.37
5	WJ	\$ 1,388.88	\$ 1,009.58	\$ -	\$ 1,009.58	\$ -	\$ -	\$ -	\$ 1,191.97	\$ 50.00		\$ 3,640.43	\$ 3,640.43	\$ -
6	RC	\$ 539.04	\$ 4,267.96	\$ 1,496.56	\$ 2,771.40	\$ -	\$ -	\$ -		\$ 50.00		\$ 4,857.00	\$ 3,360.44	\$ 1,496.56
7	HT	\$ -	\$ 4,394.40	\$ 1,263.00	\$ 3,131.40	\$ -	\$ -	\$ -		\$ 50.00		\$ 4,444.40	\$ 3,181.40	\$ 1,263.00
8	SH	\$ 833.33	\$ 3,634.48	\$ 1,557.64	\$ 2,076.84	\$ 449.69	\$ 449.69	\$ -	\$ 179.62	\$ 50.00		\$ 5,147.12	\$ 3,139.79	\$ 2,007.33
9	JB	\$ 908.49	\$ 2,305.06	\$ 418.25	\$ 1,886.81	\$ -	\$ -	\$ -	\$ 135.00	\$ 50.00		\$ 3,398.55	\$ 2,980.30	\$ 418.25
10	BC	\$ 538.58	\$ 4,175.58	\$ 1,958.46	\$ 2,217.22	\$ -	\$ -	\$ -		\$ 50.00		\$ 4,764.26	\$ 2,805.80	\$ 1,958.46
11	HO	\$ 694.44	\$ 2,716.25	\$ 793.24	\$ 1,923.01	\$ -	\$ -	\$ -		\$ 50.00		\$ 3,480.69	\$ 2,667.45	\$ 793.24
12	TM	\$ 902.77	\$ 1,687.44	\$ -	\$ 1,687.44	\$ -	\$ -	\$ -		\$ 50.00		\$ 2,840.21	\$ 2,640.21	\$ -
13	JP	\$ 573.55	\$ 1,829.87	\$ -	\$ 1,829.87	\$ -	\$ -	\$ -		\$ 50.00		\$ 2,453.42	\$ 2,453.42	\$ -
14	GD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,241.00	\$ 50.00		\$ 2,291.00	\$ 2,291.00	\$ -
15	MO	\$ -	\$ 4,206.70	\$ 2,133.58	\$ 2,073.12	\$ -	\$ -	\$ -		\$ 50.00		\$ 4,256.70	\$ 2,123.12	\$ 2,133.58
16	CJ	\$ 702.77	\$ 1,216.30	\$ -	\$ 1,216.30	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,969.07	\$ 1,969.07	\$ -
17	PB	\$ 1,041.66	\$ 757.18	\$ -	\$ 757.18	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,848.84	\$ 1,848.84	\$ -
18	MK	\$ 880.00	\$ 880.00	\$ -	\$ 880.00	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,810.00	\$ 1,810.00	\$ -
19	LC	\$ 624.99	\$ 1,211.49	\$ 86.52	\$ 1,124.97	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,886.48	\$ 1,799.96	\$ 86.52
20	CN	\$ 728.00	\$ 1,765.40	\$ 746.20	\$ 1,019.20	\$ -	\$ -	\$ -		\$ 50.00		\$ 2,543.40	\$ 1,797.20	\$ 746.20
21	NR	\$ 743.05	\$ 1,054.53	\$ 128.60	\$ 925.93	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,847.58	\$ 1,718.98	\$ 128.60
22	JB	\$ 555.55	\$ 1,659.55	\$ 736.51	\$ 923.04	\$ -	\$ -	\$ -	\$ 50.00	\$ 50.00		\$ 2,315.10	\$ 1,578.59	\$ 736.51
23	KS	\$ 555.55	\$ 1,723.59	\$ 800.55	\$ 923.04	\$ -	\$ -	\$ -		\$ 50.00		\$ 2,329.14	\$ 1,528.59	\$ 800.55
24	RP	\$ 880.00	\$ 594.00	\$ -	\$ 594.00	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,524.00	\$ 1,524.00	\$ -
25	MF	\$ 520.00	\$ -	\$ 52.00	\$ 897.00	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,519.00	\$ 1,467.00	\$ 52.00
26	PK	\$ 740.00	\$ 814.00	\$ 148.00	\$ 666.00	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,604.00	\$ 1,456.00	\$ 148.00
27	RS	\$ 720.00	\$ 378.00	\$ -	\$ 378.00	\$ -	\$ -	\$ -	\$ 307.39	\$ 50.00		\$ 1,455.39	\$ 1,455.39	\$ -
28	PW	\$ 560.00	\$ 1,008.00	\$ 168.00	\$ 840.00	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,618.00	\$ 1,450.00	\$ 168.00
29	JJ	\$ 560.00	\$ 896.00	\$ 112.00	\$ 784.00	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,506.00	\$ 1,394.00	\$ 112.00
30	HC	\$ 580.00	\$ 1,624.00	\$ 870.00	\$ 754.00	\$ -	\$ -	\$ -		\$ 50.00	\$ 1,042.66	\$ 3,296.66	\$ 2,426.66	\$ 870.00
31	AG	\$ 540.80	\$ 1,581.84	\$ 824.72	\$ 757.12	\$ -	\$ -	\$ -		\$ 50.00		\$ 2,172.64	\$ 1,347.92	\$ 824.72
32	KL	\$ 251.74	\$ 939.17	\$ 75.57	\$ 863.60	\$ -	\$ -	\$ -	\$ 175.00	\$ 50.00		\$ 1,415.91	\$ 1,340.34	\$ 75.57
33	MH	\$ 763.88	\$ 475.94	\$ -	\$ 475.94	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,289.82	\$ 1,289.82	\$ -
34	EO	\$ 260.00	\$ 715.00	\$ -	\$ 715.00	\$ 520.00	\$ 260.00	\$ 260.00		\$ 50.00		\$ 1,545.00	\$ 1,285.00	\$ 260.00
35	WA	\$ 468.62	\$ 735.48	\$ -	\$ 735.48	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,254.10	\$ 1,254.10	\$ -
36	KH	\$ 251.74	\$ 1,314.83	\$ 364.87	\$ 949.96	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,616.57	\$ 1,251.70	\$ 364.87
37	DG	\$ 520.00	\$ 663.00	\$ -	\$ 663.00	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,233.00	\$ 1,233.00	\$ -
38	CB	\$ -	\$ 1,173.55	\$ -	\$ 1,173.55	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,223.55	\$ 1,223.55	\$ -

SeaPort Airlines, Inc.
PAYROLL SUMMARY

#	Employee Initials	Wages Owed as of: 2/5/2016	Total Accrued Vacation as of: 2/5/2016		Breakout Total Vacation		Total Accrued Sick as of: 2/5/2016		Breakout Total Sick Time		Expense Reimb.	Health Insurance	Uncleared Employee Checks	Total Claim Amount	Total Priority Amount	Unsecured Total
			Vac Accrued Before: 8/9/15	Vac Accrued After: 8/9/15	Vac Accrued Before: 8/9/15	Vac Accrued After: 8/9/15	Sick Accrued Before: 8/9/15	Sick Accrued After: 8/9/15	Sick Accrued Before: 8/9/15	Sick Accrued After: 8/9/15						
39	AD	\$ 480.00	\$ 672.00	\$ 48.00	\$ 624.00	\$ 624.00	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,202.00	\$ 1,154.00	\$ 48.00
40	PM	\$ 520.00	\$ 624.00	\$ 52.00	\$ 572.00	\$ 572.00	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,194.00	\$ 1,142.00	\$ 52.00
41	DM	\$ 469.02	\$ 602.85	\$ -	\$ 602.85	\$ 602.85	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,121.87	\$ 1,121.87	\$ -
42	LO	\$ -	\$ 1,454.80	\$ 384.88	\$ 1,069.92	\$ 1,069.92	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,504.80	\$ 1,119.92	\$ 384.88
43	SH	\$ 540.80	\$ 635.44	\$ 108.16	\$ 527.28	\$ 527.28	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,226.24	\$ 1,118.08	\$ 108.16
44	BZ	\$ 720.00	\$ 252.00	\$ -	\$ 252.00	\$ 252.00	\$ -	\$ -	\$ -	\$ -	\$ 70.68	\$ 50.00		\$ 1,092.68	\$ 1,092.68	\$ -
45	KA	\$ 240.08	\$ 803.01	\$ 61.77	\$ 741.24	\$ 741.24	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,093.09	\$ 1,031.32	\$ 61.77
46	RM	\$ 240.08	\$ 803.01	\$ 61.77	\$ 741.24	\$ 741.24	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,093.09	\$ 1,031.32	\$ 61.77
47	JT	\$ 800.00	\$ 180.00	\$ -	\$ 180.00	\$ 180.00	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,030.00	\$ 1,030.00	\$ -
48	CD	\$ 469.02	\$ 482.28	\$ -	\$ 482.28	\$ 482.28	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 1,001.30	\$ 1,001.30	\$ -
49	CL	\$ 468.62	\$ 482.25	\$ -	\$ 482.25	\$ 482.25	\$ -	\$ -	\$ -	\$ -		\$ 50.00	\$ 504.02	\$ 1,504.89	\$ 1,504.89	\$ -
50	KB	\$ 580.00	\$ 362.50	\$ -	\$ 362.50	\$ 362.50	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 992.50	\$ 992.50	\$ -
51	AS	\$ 240.08	\$ 803.01	\$ 247.08	\$ 555.93	\$ 555.93	\$ -	\$ -	\$ -	\$ -	\$ 140.00	\$ 50.00		\$ 1,233.09	\$ 986.01	\$ 247.08
52	RW	\$ 468.62	\$ 442.09	\$ -	\$ 442.09	\$ 442.09	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 960.71	\$ 960.71	\$ -
53	JB	\$ 468.62	\$ 281.33	\$ -	\$ 281.33	\$ 281.33	\$ -	\$ -	\$ -	\$ -	\$ 140.00	\$ 50.00		\$ 939.95	\$ 939.95	\$ -
54	AG	\$ 680.00	\$ 204.00	\$ -	\$ 204.00	\$ 204.00	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 934.00	\$ 934.00	\$ -
55	SM	\$ 540.00	\$ 324.00	\$ -	\$ 324.00	\$ 324.00	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 914.00	\$ 914.00	\$ -
56	MG	\$ 240.08	\$ 605.35	\$ -	\$ 605.35	\$ 605.35	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 895.43	\$ 895.43	\$ -
57	KB	\$ 640.00	\$ 160.00	\$ -	\$ 160.00	\$ 160.00	\$ -	\$ -	\$ -	\$ -	\$ 33.46	\$ 50.00		\$ 883.46	\$ 883.46	\$ -
58	MJ	\$ 720.00	\$ 108.00	\$ -	\$ 108.00	\$ 108.00	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 878.00	\$ 878.00	\$ -
59	AF	\$ 580.00	\$ 246.50	\$ -	\$ 246.50	\$ 246.50	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 876.50	\$ 876.50	\$ -
60	FT	\$ 280.80	\$ 645.84	\$ 112.32	\$ 533.52	\$ 533.52	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 976.64	\$ 864.32	\$ 112.32
61	JN	\$ 561.60	\$ 238.68	\$ -	\$ 238.68	\$ 238.68	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 850.28	\$ 850.28	\$ -
62	KD	\$ 220.00	\$ 374.00	\$ 44.00	\$ 330.00	\$ 330.00	\$ 440.00	\$ 220.00	\$ 220.00	\$ 220.00		\$ 50.00		\$ 1,084.00	\$ 820.00	\$ 264.00
63	SB	\$ 468.62	\$ 241.14	\$ -	\$ 241.14	\$ 241.14	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 759.76	\$ 759.76	\$ -
64	JM	\$ 400.00	\$ 440.00	\$ 440.00	\$ -	\$ -	\$ 400.00	\$ 300.00	\$ 300.00	\$ 300.00		\$ 50.00		\$ 1,290.00	\$ 750.00	\$ 540.00
65	TS	\$ 220.00	\$ 253.00	\$ -	\$ 253.00	\$ 253.00	\$ 440.00	\$ 220.00	\$ 220.00	\$ 220.00		\$ 50.00		\$ 963.00	\$ 743.00	\$ 220.00
66	ME	\$ -	\$ 679.47	\$ -	\$ 679.47	\$ 679.47	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 729.47	\$ 729.47	\$ -
67	JD	\$ 290.00	\$ 58.00	\$ -	\$ 58.00	\$ 58.00	\$ 290.00	\$ 290.00	\$ 290.00	\$ 290.00		\$ 50.00		\$ 688.00	\$ 688.00	\$ -
68	RC	\$ 250.00	\$ 175.00	\$ 50.00	\$ 125.00	\$ 125.00	\$ 500.00	\$ 250.00	\$ 250.00	\$ 250.00		\$ 50.00		\$ 975.00	\$ 675.00	\$ 300.00
69	JF	\$ 240.08	\$ 370.62	\$ -	\$ 370.62	\$ 370.62	\$ -	\$ -	\$ -	\$ -		\$ 50.00	\$ 329.97	\$ 990.67	\$ 990.67	\$ -
70	RH	\$ 240.08	\$ 370.62	\$ -	\$ 370.62	\$ 370.62	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 660.70	\$ 660.70	\$ -
71	DW	\$ 468.62	\$ 120.57	\$ -	\$ 120.57	\$ 120.57	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 639.19	\$ 639.19	\$ -
72	SK	\$ 540.00	\$ 40.50	\$ -	\$ 40.50	\$ 40.50	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 630.50	\$ 630.50	\$ -
73	JL	\$ 460.00	\$ 92.00	\$ -	\$ 92.00	\$ 92.00	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 602.00	\$ 602.00	\$ -
74	TC	\$ 240.08	\$ 304.73	\$ -	\$ 304.73	\$ 304.73	\$ -	\$ -	\$ -	\$ -		\$ 50.00		\$ 594.81	\$ 594.81	\$ -
75	MW	\$ 220.00	\$ 99.00	\$ -	\$ 99.00	\$ 99.00	\$ 330.00	\$ 220.00	\$ 220.00	\$ 220.00		\$ 50.00		\$ 699.00	\$ 589.00	\$ 110.00
76	HN	\$ 535.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 50.00	\$ 606.24	\$ 1,191.84	\$ 1,191.84	\$ -

SeaPort Airlines, Inc.
PAYROLL SUMMARY

Employee #	Employee Initials	Wages Owed as of: 2/5/2016	Total Accrued Vacation as of: 2/5/2016	Breakout Total Vacation		Breakout Total Sick Time		Expense Reimb.	Health Insurance	Uncleared Employee Checks	Total Claim Amount	Total Priority Amount	Unsecured Total
				Vac Accrued Before: 8/9/15	Vac Accrued After: 8/9/15	Total Accrued Sick as of: 2/5/2016	Sick Accrued Before: 8/9/15	Sick Accrued On or After: 8/9/15					
77	EA	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 396.00	\$ 132.00	\$ 264.00	\$ 50.00		\$ 710.00	\$ 578.00	\$ 132.00
78	SM	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 396.00	\$ 132.00	\$ 264.00	\$ 50.00		\$ 710.00	\$ 578.00	\$ 132.00
79	AM	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 396.00	\$ 132.00	\$ 264.00	\$ 50.00		\$ 710.00	\$ 578.00	\$ 132.00
80	GA	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 352.00	\$ 88.00	\$ 264.00	\$ 50.00		\$ 666.00	\$ 578.00	\$ 88.00
81	JB	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 352.00	\$ 88.00	\$ 264.00	\$ 50.00		\$ 666.00	\$ 578.00	\$ 88.00
82	RB	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 352.00	\$ 88.00	\$ 264.00	\$ 50.00		\$ 666.00	\$ 578.00	\$ 88.00
83	SB	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 352.00	\$ 88.00	\$ 264.00	\$ 50.00		\$ 666.00	\$ 578.00	\$ 88.00
84	JH	\$ 220.00	\$ 213.00	\$ 169.00	\$ 44.00	\$ 440.00	\$ 220.00	\$ 220.00	\$ 50.00		\$ 923.00	\$ 534.00	\$ 389.00
85	PL	\$ 220.00	\$ 88.00	\$ 44.00	\$ 44.00	\$ 440.00	\$ 220.00	\$ 220.00	\$ 50.00		\$ 798.00	\$ 534.00	\$ 264.00
86	CM	\$ 220.00	\$ 88.00	\$ 44.00	\$ 44.00	\$ 440.00	\$ 220.00	\$ 220.00	\$ 50.00		\$ 798.00	\$ 534.00	\$ 264.00
87	MK	\$ 215.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255.72		\$ 520.72	\$ 520.72	\$ -
88	KE	\$ 220.00	\$ 27.50	\$ -	\$ 27.50	\$ 440.00	\$ 220.00	\$ 220.00	\$ 50.00		\$ 737.50	\$ 517.50	\$ 220.00
89	AS	\$ -	\$ 704.18	\$ 247.08	\$ 457.10	\$ -	\$ -	\$ -	\$ 50.00		\$ 754.18	\$ 507.10	\$ 247.08
90	AF	\$ 240.08	\$ 197.66	\$ -	\$ 197.66	\$ -	\$ -	\$ -	\$ 50.00		\$ 487.74	\$ 487.74	\$ -
91	CS	\$ 240.08	\$ 185.31	\$ -	\$ 185.31	\$ -	\$ -	\$ -	\$ 50.00		\$ 475.39	\$ 475.39	\$ -
92	KK	\$ -	\$ 241.28	\$ 120.64	\$ 120.64	\$ 301.60	\$ -	\$ 301.60	\$ 50.00		\$ 592.88	\$ 472.24	\$ 120.64
93	LK	\$ 215.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201.15		\$ 466.15	\$ 466.15	\$ -
94	VB	\$ 220.00	\$ -	\$ -	\$ -	\$ 176.00	\$ -	\$ 176.00	\$ 50.00	\$ 442.27	\$ 888.27	\$ 888.27	\$ -
95	CK	\$ 220.00	\$ -	\$ -	\$ -	\$ 176.00	\$ -	\$ 176.00	\$ 50.00		\$ 446.00	\$ 446.00	\$ -
96	KJ	\$ 215.00	\$ -	\$ -	\$ -	\$ 172.00	\$ -	\$ 172.00	\$ 50.00		\$ 437.00	\$ 437.00	\$ -
97	SC	\$ 215.00	\$ -	\$ -	\$ -	\$ 44.00	\$ -	\$ 44.00	\$ 120.21		\$ 429.21	\$ 429.21	\$ -
98	DT	\$ -	\$ 370.62	\$ -	\$ 370.62	\$ -	\$ -	\$ -	\$ 50.00		\$ 420.62	\$ 420.62	\$ -
99	RP	\$ 215.00	\$ -	\$ -	\$ -	\$ 44.00	\$ -	\$ 44.00	\$ 87.55		\$ 396.55	\$ 396.55	\$ -
100	EM	\$ 215.00	\$ -	\$ -	\$ -	\$ 129.00	\$ -	\$ 129.00	\$ 50.00		\$ 394.00	\$ 394.00	\$ -
101	HM	\$ 215.00	\$ -	\$ -	\$ -	\$ 129.00	\$ -	\$ 129.00	\$ 50.00		\$ 394.00	\$ 394.00	\$ -
102	LP	\$ 215.00	\$ -	\$ -	\$ -	\$ 129.00	\$ -	\$ 129.00	\$ 50.00		\$ 394.00	\$ 394.00	\$ -
103	CC	\$ 249.60	\$ 44.00	\$ -	\$ 44.00	\$ 44.00	\$ -	\$ 44.00	\$ 50.00		\$ 387.60	\$ 387.60	\$ -
104	JL	\$ -	\$ 392.00	\$ 56.00	\$ 336.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 442.00	\$ 386.00	\$ 56.00
105	SS	\$ 228.80	\$ 91.52	\$ 45.76	\$ 45.76	\$ 45.76	\$ -	\$ 45.76	\$ 50.00		\$ 416.08	\$ 370.32	\$ 45.76
106	TT	\$ 228.80	\$ 91.52	\$ 45.76	\$ 45.76	\$ 45.76	\$ -	\$ 45.76	\$ 50.00		\$ 416.08	\$ 370.32	\$ 45.76
107	DS	\$ -	\$ 1,250.00	\$ 937.50	\$ 312.50	\$ -	\$ -	\$ -	\$ 50.00		\$ 1,300.00	\$ 362.50	\$ 937.50
108	PM	\$ 220.00	\$ 88.00	\$ 44.00	\$ 44.00	\$ 44.00	\$ -	\$ 44.00	\$ 50.00		\$ 402.00	\$ 358.00	\$ 44.00
109	AA	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 44.00	\$ -	\$ 44.00	\$ 50.00		\$ 358.00	\$ 358.00	\$ -
110	JA	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 44.00	\$ -	\$ 44.00	\$ 50.00		\$ 358.00	\$ 358.00	\$ -
111	KB	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 44.00	\$ -	\$ 44.00	\$ 50.00		\$ 358.00	\$ 358.00	\$ -
112	TS	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 44.00	\$ -	\$ 44.00	\$ 50.00		\$ 358.00	\$ 358.00	\$ -
113	MW	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ 44.00	\$ -	\$ 44.00	\$ 50.00		\$ 358.00	\$ 358.00	\$ -
114	GG	\$ 240.08	\$ 61.77	\$ -	\$ 61.77	\$ -	\$ -	\$ -	\$ 50.00		\$ 351.85	\$ 351.85	\$ -

SeaPort Airlines, Inc.
PAYROLL SUMMARY

Employee #	Employee Initials	Wages Owed as of: 2/5/2016	Total Accrued Vacation as of: 2/5/2016	Breakout Total Vacation		Breakout Total Sick Time		Expense Reimb.	Health Insurance	Uncleared Employee Checks	Total Claim Amount	Total Priority Amount	Unsecured Total
				Vac Accrued Before: 8/9/15	Vac Accrued After: 8/9/15	Total Accrued Sick as of: 2/5/2016	Sick Accrued Before: 8/9/15	Sick Accrued On or After: 8/9/15					
115	BM	\$ 215.00	\$ -	\$ -	\$ -	\$ 86.00	\$ -	\$ 86.00	\$ 50.00	\$ 268.65	\$ 619.65	\$ 619.65	\$ -
116	CT	\$ 215.00	\$ -	\$ -	\$ -	\$ 64.50	\$ -	\$ 64.50	\$ 50.00		\$ 329.50	\$ 329.50	\$ -
117	AB	\$ 220.00	\$ 44.00	\$ -	\$ 44.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 314.00	\$ 314.00	\$ -
118	SD	\$ 218.40	\$ 87.36	\$ 43.68	\$ 43.68	\$ -	\$ -	\$ -	\$ 50.00		\$ 355.76	\$ 312.08	\$ 43.68
119	KL	\$ 218.40	\$ 87.36	\$ 43.68	\$ 43.68	\$ -	\$ -	\$ -	\$ 50.00		\$ 355.76	\$ 312.08	\$ 43.68
120	JS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 308.61	\$ 308.61	\$ -
121	JG	\$ 215.00	\$ 43.00	\$ -	\$ 43.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 308.00	\$ 308.00	\$ -
122	JS	\$ 215.00	\$ 43.00	\$ -	\$ 43.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 308.00	\$ 308.00	\$ -
123	CS	\$ 215.00	\$ 43.00	\$ -	\$ 43.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 308.00	\$ 308.00	\$ -
124	TF	\$ 210.00	\$ 84.00	\$ 42.00	\$ 42.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 344.00	\$ 302.00	\$ 42.00
125	PL	\$ 210.00	\$ 84.00	\$ 42.00	\$ 42.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 344.00	\$ 302.00	\$ 42.00
126	DM	\$ 210.00	\$ 42.00	\$ -	\$ 42.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 302.00	\$ 302.00	\$ -
127	SS	\$ 210.00	\$ 42.00	\$ -	\$ 42.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 302.00	\$ 302.00	\$ -
128	JD	\$ 251.74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 301.74	\$ 301.74	\$ -
129	HD	\$ 208.00	\$ 83.20	\$ 41.60	\$ 41.60	\$ -	\$ -	\$ -	\$ 50.00		\$ 341.20	\$ 299.60	\$ 41.60
130	CS	\$ 247.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 297.20	\$ 297.20	\$ -
131	EA	\$ 205.00	\$ 82.00	\$ 41.00	\$ 41.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 337.00	\$ 296.00	\$ 41.00
132	JM	\$ 205.00	\$ 41.00	\$ -	\$ 41.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 296.00	\$ 296.00	\$ -
133	CO	\$ 204.00	\$ 81.60	\$ 40.80	\$ 40.80	\$ -	\$ -	\$ -	\$ 50.00		\$ 335.60	\$ 294.80	\$ 40.80
134	CK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 75.06	\$ 369.43	\$ 369.43	\$ -
135	WS	\$ 200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 291.91	\$ 291.91	\$ -
136	PM	\$ 240.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 422.62	\$ 712.70	\$ 712.70	\$ -
137	JT	\$ 200.00	\$ 40.00	\$ -	\$ 40.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 290.00	\$ 290.00	\$ -
138	DM	\$ 218.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 268.40	\$ 268.40	\$ -
139	LB	\$ 210.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 260.00	\$ 260.00	\$ -
140	KM	\$ 210.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 260.00	\$ 260.00	\$ -
141	SR	\$ 210.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 260.00	\$ 260.00	\$ -
142	ST	\$ 210.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 260.00	\$ 260.00	\$ -
143	JW	\$ 210.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 260.00	\$ 260.00	\$ -
144	CB	\$ -	\$ 210.00	\$ -	\$ 210.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 260.00	\$ 260.00	\$ -
145	SA	\$ 205.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 255.00	\$ 255.00	\$ -
146	RF	\$ 205.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 428.03	\$ 683.03	\$ 683.03	\$ -
147	SW	\$ 200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 250.00	\$ 250.00	\$ -
148	MB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 164.16	\$ 164.16	\$ -
149	NM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 120.00	\$ 120.00	\$ -
150	MM	\$ -	\$ 64.00	\$ -	\$ 64.00	\$ -	\$ -	\$ -	\$ 50.00		\$ 114.00	\$ 114.00	\$ -
151	DB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 103.50	\$ 103.50	\$ -
152	KC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00		\$ 94.25	\$ 94.25	\$ -

SeaPort Airlines, Inc.
PAYROLL SUMMARY

Employee #	Employee Initials	Wages Owed as of: 2/5/2016	Total Accrued Vacation as of: 2/5/2016	Breakout Total Vacation		Breakout Total Sick Time		Expense Reimb.	Health Insurance	Uncleared Employee Checks	Total Claim Amount	Total Priority Amount	Unsecured Total
				Vac Accrued Before: 8/9/15	Vac Accrued After: 8/9/15	Total Accrued Sick as of: 2/5/2016	Sick Accrued Before: 8/9/15	Sick Accrued On or After: 8/9/15					
153	CJ	\$ -	\$ 83.20	\$ 41.60	\$ 41.60	\$ -	\$ -	\$ -	\$ 50.00		\$ 133.20	\$ 91.60	\$ 41.60
154	JT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23.00		\$ 73.00	\$ 73.00	\$ -
155	MB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
156	MC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
157	KD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
158	JE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
159	AE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
160	MG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
161	JG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
162	EH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
163	MN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
164	CS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
165	BS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
166	CW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
167	AW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
168	GW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
FORMER EMPLOYEES													
169	BC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 71.47	\$ 71.47	\$ 71.47	\$ -
170	CB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 62.88	\$ 62.88	\$ 62.88	\$ -
171	JP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 255.26	\$ 255.26	\$ 255.26	\$ -
172	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 310.76	\$ 310.76	\$ 310.76	\$ -
Totals:		\$ 55,157.26	\$105,507.31	\$36,099.54	\$ 70,356.85	\$ 9,576.31	\$ 3,237.69	\$ 6,338.62	\$ 7,283.70	\$ 7,700.00	\$190,993.55	\$151,656.32	\$ 39,337.23

PROPOSED FORM OF ORDER

In re) Case No. 16-30406-rld11
)
) ORDER AUTHORIZING DEBTOR TO PAY
 SeaPort Airlines, Inc.,) PREPETITION PAYROLL, PAYROLL TAXES,
) EMPLOYEE HEALTH INSURANCE PREMIUMS,
) AND WORKERS' COMPENSATION INSURANCE
) PREMIUMS AND OTHER EMPLOYEE
 Debtor-in-Possession.) EXPENSES

IT IS HEREBY ORDERED that the “Motion for Authority to Pay Prepetition Payroll, Payroll Taxes, Employee Health Insurance Premiums and Workers' Compensation Insurance Premiums” (Docket No. ____) is granted. The Debtor-in-Possession is authorized to pay its employees their full paychecks for the pay period from February 1, 2016 through and including February 15, 2016, which includes prepetition amounts for wages earned

between February 1 and February 5, 2016, to be paid on the February 19, 2016 payday.

In no event shall the Debtor be authorized to pay an employee an amount greater than the limit set forth in 11 U.S.C. § 507(a)(4) on account of prepetition wages or commissions.

Attached as **Exhibit A** is a summary of the payroll obligations (including accrued sick and vacation pay earned within 180 days of the Petition Date), both pre-petition and post-petition, for all employees of the Debtor during the current pay period. None of the amounts listed in the column entitled "Total Priority Amount" exceed the statutory maximum in 11 U.S.C. § 507(a)(4).

IT IS FURTHER ORDERED that Debtor is authorized to pay other compensation, employee benefits (including the expense reimbursements shown on **Exhibit A**) due to its employees pre-petition, including allowing employees to take paid vacation time and/or sick leave in the ordinary course of business; provided, however, that such authority is limited to the priority amount of 11 U.S.C. § 507(a)(4)-(5) and is limited to benefits accrued during the 180-day period preceding the Petition Date.

IT IS FURTHER ORDERED that Debtor is authorized to pay any uncleared payroll checks issued prepetition; provided, however, that in no event is the Debtor authorized to pay any of its employees more than the priority amount under 11 U.S.C. § 507(a)(4), taking into account the total collective amounts authorized by this Order. Uncleared prepetition payroll checks as of the Petition Date are shown on **Exhibit A**.

###

I certify that I have complied with the requirements of LBR 9021-1(a)(2)(A).

///

///

PRESENTED BY:

/s/Robert J Vanden Bos
Robert J Vanden Bos OSB #78100
Douglas R. Ricks, OSB #044026
Christopher N. Coyle, OSB #07350
VANDEN BOS & CHAPMAN, LLP
319 S.W. Washington, Suite 520
Portland, Oregon 97204
Telephone: (503) 241-4869
Fax: (503) 241-3731

Of Attorneys for Debtor-in-Possession

First Class Mail:

See Attached List

Electronic Mail:

The foregoing was served on all CM/ECF participants through the Court's Case Management/Electronic Case File system.